Statement Before The Insurance and Real Estate Committee Tuesday January 25, 2011

Re: SB 13: An Act Concerning Copayments for Drugs

Good Afternoon Representative Megna, Senator Crisco and members of the Insurance Committee. My name is Margherita Giuliano. I am a pharmacist and the Executive Vice President of the Connecticut Pharmacists Association. The Connecticut Pharmacists Association is a professional organization representing 1000 pharmacists in the state of Connecticut. I am here today to speak in strong support of SB 13: AAC Copayments for Prescription Drugs

We have testified before this committee for the last several years regarding some of the practices of the large Pharmacy Benefit Managers (PBMs). The mail order component and the differential copay structure has been a critical issue for our members. I am pleased that the committee has introduced this bill again this year.

The proposed legislation really addresses a variety of tactics that Pharmacy Benefit Managers and insurers have used to steer patients out of community pharmacies and into their own mail order pharmacies. Independent pharmacies across the state have been asking for resolution to the issue that allows a PBM to be both the manager of the drug benefit and the provider of the drug benefit and to compete directly against its own network of pharmacies. We have always considered this a clear conflict of interest. It is even of greater concern since the PBM unilaterally determines the reimbursement of the drugs to the pharmacies.

Currently, the pharmacy benefits that include a mail order option, more often than not, do not allow retail community pharmacies to fill a 90-day supply of medications. If they do allow the pharmacies to fill the 90-day supply, it comes with the higher copay - so there is an incentive for the consumer to mail away. Some of the plans now state that if the patient chooses to continue receiving their medications at community pharmacies the cost of the drug will not be covered at all. We believe that if patients were allowed to get the 90-day supply locally for the same copay patients would choose their local pharmacy where they can ask questions and receive answers about their medications directly. We support this proposed bill and its language because it clearly addresses this issue by prohibiting insurance policies to use these incentives and restrictions to coerce patients to mail away.

We have provided a sampling of the many letters that patients receive "steering" them to mail order or to use the better marketing term - "home delivery". As you can see from these letters patients are told that if they continue to receive their medications at retail community pharmacies they will either pay higher co-pays or they will have to pay 100% of the cost of the drug.

Of greater concern is the dominance that CVS/Caremark has over its competitors. In 2007, the FTC allowed the merger of a competing pharmacy chain and a PBM. Now, a pharmacy's competitor sets its reimbursement and has access to its proprietary data. These companies are supposed to have firewalls to protect patient information and other pharmacies' proprietary information. One has to question if these firewalls actually exist when the non CVS pharmacy claim information is used to market to clients without the small pharmacies knowledge.

CVS/Caremark is currently being investigated by the FTC for many of its practices. In a recent letter from the American Antitrust Institute (AAI) to the FTC regarding allegations that CVS/Caremark is:

- 1. using their "dominant" PBM to advantage their "dominant" retail pharmacy business and is suppressing pharmacy competition and
- 2. they are using auditing processes that raise the costs and recoup money from rival pharmacies putting them at a competitive disadvantage

the AAI urges the FTC to take forceful action against CVS/Caremark if these allegations prove to be true. Pharmacy voiced their concern about the CVS Caremark merger in 2007. It is even a greater issue for our pharmacies since the State of Connecticut has contracted with CVS/Caremark to provide pharmacy benefits to the state employees.

While we recognize that this issue is a federal issue, we are hopeful that Senator Blumenthal will lead the charge at the national level. CPA will continue to work with our Congressional delegation to allow for freedom of choice and fair competition.

From an economic standpoint – the more prescriptions that are taken out of the community retail pharmacies on Main Street, the less you will be collecting in revenues from these pharmacies. With all this business going out of state, pharmacies are laying off personnel adding to the unemployment in CT. In this difficult economic time, if we close businesses we put people out of work. I know that legislators are concerned this session about jobs and small businesses. Differential copays are destroying both.

Mail order might serve a purpose, but it is not the best health care. The practice of pharmacy is more than just getting the right drug to the right patient. It is about ensuring that the patient understands why they are taking the medication and what possible side effects they might encounter. With a state filled with a diverse and aging population, the best way to accomplish this is through face-to-face encounters with the pharmacist. We ask that true choice be given to patients as to where they want to have their medications filled. We ask that this vertical integration of pharmacy owned PBMs be investigated. We ask that we be given a chance to compete on a level playing field. Most importantly, we appreciate this committee's interest in working with pharmacy to address this issue.

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NDC NUMBER IN PREFERRED FORMULARY

Enter ? for Help

K

Subj: Date: From:

Reply-to:

CVS Caremark Alert: Save time and money on your prescriptions - Case I

7/11/2010 7:21:25 A.M. Eastern Daylight Time alerts.CVSCaremark@RxHealthAlerts.com

customerservice@caremark.com

To:



Save time and money on your prescriptions

We are contacting you because when you registered, you gave us your e-mail address,

these helpful alerts.

Enjoy the convenience and potential cost savings of getting a 3-month supply by mail of the medications you take regularly.

With mail service you can:

- Save money on medications you take regularly
- Save trips to the pharmacy and your doctor's office
- Order prescriptions easily online or by phone
- Enjoy the convenience of prescriptions mailed to your door

.Getting started is easy visit FastStart

We'll contact your doctor for you to get a prescription for a 3-month supply with up to 3 fills. Please allow up to 10 days from the day we get the prescription from your doctor for delivery of your medicine.

Discover the convenience and savings of having your prescriptions filled by mail service. Visit <u>FastStart</u> today.

To obtain a price estimate for your prescriptions through the CVS Caremark Mail Service Pharmacy, visit the <u>Savings Center</u> on Caremark.com.

Has my prescription been mailed?

When you fill a prescription with caremark.com, you can check the <u>status of your order</u> and view your prescription history 24 hours a day, seven days a week including all online, phone and mail service orders.

Set email alerts:
Caremark.com has
received your
prescription order
Set your e-mail alerts to get
a confirmation by e-mail
when we receive your
prescription order.
Caremark also can alert
you when:

- Your prescription has been mailed
- Your prescription order could not be filled
- Your prescription expires soon

Цo

Find drug information with Caremark.com
Do you wonder whether certain medicines or foods might interact with the drugs prescribed to you?
Use our drug interaction tool to find out.

QS/1 E2290

(RX)FORT HILL PHARMACY Date: 01/24/11 (Monday)

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ELECTRONIC

CLAIMS STATUS

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Who RxNumb ..Date... AD

Code Customer..... Status Rejected

CD Description..... CD Description.....

73 Refills are Not Covered

RX MUST BE FILLED AT PRXN

PLAN P165 DOES NOT COVER THIS REFILL

PLAN = P165

*** Press S and ENTER to Send the Claim to the Secondary Carrier Instead of the Primary Carrier, ATTN to Exit

Policy#:HN Enter ? for Help Group#:PRXN2222

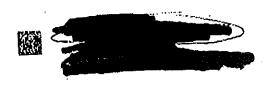
Birth Date: 05/11/1950

PRXN is Pequat Pharmacy



January 13, 2010





2033842551

Dear Edward,

We would like to tell you about some important changes to your prescription benefit plan that will start January 1, 2010. These changes are designed to help you and your employer keep prescription drug costs down and to offer you convenience and choice.

New plan choices

Now you have more options to choose from when filling your prescriptions. This chart shows your copay/coinsurance for each option. Keep this letter so you can

refer to it when you decide where to fill your prescriptions.

	Any network pharmacy Up to a 30-day supply	Maintenance Choice: CVS/pharmacy or mail service Up to a 90-day supply				
Generic druge	\$5	\$10				
Preferred brand	30% (\$100 max)	25% (\$200 max)				
drugs Brand-name PPIs/statins	40% (\$150 max)	40% (\$300 max)				
FIII limit for tong-term medications	2 fills before copay increases	No limit				

Delivery or pick-up: introducing Maintenance Choice® If you are taking a long-term* medication, now you can choose to receive your 90-day** supplies by mail through CVS Caremark Mail Service Pharmacy or to pick them up at a CVS/pharmacy near you. Whether you choose delivery or pick-up, you will pay the same copay. This choice is being offered to you by your employer as a way to help you save money...

To learn how to start enjoying the benefits of Maintenance Choice, please see the enclosed program summary.

Your plan allows two 30-day fills of long-term medications for a low copay at any pharmacy in our network. If you continue to get 30-day fills after that, you will pay a higher copay. With Maintenance Choice, you can avoid paying more for your long-term prescription(s). All you need to do is have 90-day supplies filled through mail service or at a CVS/pharmacy.

Questions? Visit www.caremark.com or call us toll-free using the number on the back of your Prescription Card. We are here to help you save on your prescriptions.

Sincerely.

Your Customer Care Team CVS.Caremark

ent or coinsurance means the amount a plan participant is required to pay for a prescription in accordance with a Plan. "Actual quantity may vary depending on your plan. or a fixed amount or other charge, with the balance, if any, paid by the



A long-term medication is taken regularly for chronic conditions or long-term therapy. A few examples include medications for managing high blood pressure, eathms, diabetes or high cholesterol.



04/08/2010

Proportion, The Hx was compiled by my claims submission for has.

CVS Caremark works with your prescription plan provider to manage your drug benefit. Your prescription (histor) shows that you have been prescribed the medicine Avapro® (irbesartan) or Avalide® (irbesartan-hydrochlorothiazide) tablets.

If you are an AVAPRO patient, please see the enclosed brochure:

2033842551

 Questions & Answers about Avapro® (irbesartan) and Avalide® (irbesartan-hydrochlorothiazide)

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3-19-10

If you are an AVALIDE patient, please see the enclosed brochure:

 Questions & Answers about Avapro® (irbesartan) and Avalide® (irbesartanhydrochlorothiazide)

Your doctor may have prescribed one of these medications for you. To ensure your medication works its best, you should take it just as your doctor has instructed. Monitor your prescription use carefully to make sure that you never run out of medicine. If you obtain your prescription at a local retail pharmacy, mark your calendar with the date your next refill is due.

INDICATIONS

If you have high blood pressure, AVAPRO or AVALIDE can help lower your numbers.

If you have high blood pressure, type 2 diabetes, and kidney disease (identified by a doctor as diabetic nephropathy). AVAPRO can help slow the progression of kidney disease caused by these conditions.

AVALIDE is a combination of two medications in one pill to help lower blood pressure.

AVALIDE may be used if your high blood pressure is not under control on one medication.

AVALIDE may also be used as your first high blood pressure medication if it is likely that you will need more than one drug to get to the blood pressure numbers your doctor recommends.

The choice of AVALIDE as your first high blood pressure medication should be based on your doctor's review of possible benefits and risks.

Talk to your doctor about AVAPRO or AVALIDE.

Please see Important Safety Information on the next page and full Prescribing Information enclosed.

126-W-01 LAPCS 18732321-289085422 LUPE'S DRUG STORE #3 2035 BLACK ROCK TPK. FAIRFIELD CT, CT 06825 PHONE: 203-368-1955 FAX: 203-384-2551

** REJECTED CLAIM INFORMATION **

RX# 1151454

TRAN DATE:

10:21 TIME:

4-15-10 4-15-10 RX DATE:

CLAIM REF: 101053359593085999

PATIENT

DOB:

NDC: 41616-0580-81

DRUG: PANTOPRAZOLE 40MG TABS**

QTY: 30

ID: HN7588215 3RD PARTY: AHC

DR. DUCHEN, DOUGLAS

PHONE: 203-372-4065

FAX: 203-372-1644

NDC DRUG-NOT COVERED

Brand Protonix preferred Preferred Product, Use -- XX

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This fax message may contain information that contains confidential health information that is legally privileged. This information is intended only for the use of the individual or entity named above. The authorized recipient of this information is prohibited from disclosing this information to any other party unless required to do so by law or regulation. It is intended to be conveyed only to the designated recipients (8). If you are not an intended recipient of this fax message, please discard it and notify the sender. You are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the contents of this document is strictly prohibited.

10 reasons to choose generic drugs.

1. They're safe.

Generic medications are tested and approved by the U.S. FDA.

2. They're effective.

Generic drugs are required to have the same active ingredients as their brand-name counterparts.

3. Lower marketing costs = lower generic drug costs.

Generic drug manufacturers spend less money on marketing costs, compared to the billions brand-name drug manufacturers spend. That savings is passed on to you.

4. Research and development costs are not built into the price.

Generic medications don't have the research and development costs that brand-names do, and that savings is passed on to you.

5. You'll have more money to spend on the things you want.

Because generic medications could save you up to 80%, you'll have more money in your pocket each month.

6. Greater competition keeps generic drug prices down. By the time a generic drug is released, there's usually greater competition by brand-name drugs or similar generic drugs, That drives down the prices.

7. They can save you money.

Generic medicines account for 65% of all prescriptions dispensed in the United States, yet only 20.5% of all dollars spent on prescriptions. (IMS Health)

8. Almost 2 billion prescriptions a year are filled with generic drugs.

More and more patients are requesting generic drugs. As a result, more doctors are prescribing them.

 Generic drugs are made in FDA-inspected facilities.
 The FDA conducts nearly 3,500 inspections a year at facilities that make generic drugs. So you can be confident

10. Generic drugs are easy to order.

they're just as safe as the brand-names.

Simply ask your doctor to prescribe a generic alternative, if available.



Change to generic and save!

Call your doctor to rewrite your prescription.

Or, detach the card below and present it to your doctor Taryour next appointment.

Check with your doctor to see if there is an appropriate alternative to your brand-name medication.

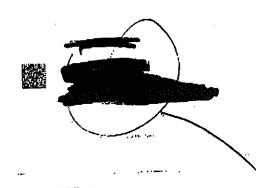
Doctor Instructions:

Please consider if a generic alternative is appropriate for your patient. Then:

Call in the new prescription to our FastStart*
 physician line: 1-800-378-5697. You'll be
 asked to provide the participant's ID number
 that is located on the back of their prescription
 ID card, along with the patient's date of birth.



According to the U.S. FDA: "generic drugs...are just as safe and just as effective as their brand-name counterparts." *



When you have a choice between brand-name and generic prescription drugs, price doesn't always equal a better product. In many cases, you could just be paying more for a name.

Ask your doctor if a lower cost generic alternative (pantoprazole, omeprazole) for your current drug, Aciphex, is an option for you.

Why pay more?

There are lower-cost generic drugs available to treat your condition, much like your current medication does. So why pay more for your prescription if you don't have to?

Because generic drugs don't require the same development and marketing costs as brand-name drugs, they can be priced much more competitively—typically at a savings of 30-80 percent.**

Changing to a generic medication is easy.

Simply remove the Generic Drug Savings Request card below and bring it to your next doctor appointment. Or call your doctor now to discuss whether a generic alternative is appropriate for you.

As your pharmacy benefit manager, we're committed to providing you with expert care at an affordable price, Visit www.caremark.com for more information.

Sincerely,

Your Customer CareTeam CVS Caremark

P.S. Almost two billion prescriptions a year are filled with generic drugs for one simple reason: they're affordable. Discover how you can benefit from the savings they offer. Contact your doctor today.

So why pay 30-80% more for the brand-name?



Generic Drug Savings Request

Present this card to your doctor at your next visit to ask if pantoprazole, omeprazole is right for you. Or have your doctor call in your generic prescription to our FastStart* physician line: 1-800-378-5697.



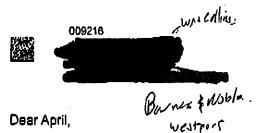
See back of letter for 10 reasons to choose generic drugs.

"IDA WALLE PAPPE, New FDA Intilative on "Improving Access to Generic Drugs" -- June 17, 2003

"Savings are based on plan participant copayments. The amount of your savings will be based on your benefit plan.







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We'd like to tell you about some important changes to your prescription benefit plan effective February 1, 2010. These changes are designed to help you and your employer keep drug costs down and to offer you convenience and choice.

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	Any network pharmacy Up to a 30-day supply	
Generic drugs	\$10	\$55
Preferred brand drugs	\$25	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Non-preferred brand drugs	\$40	
Fill finit for long-term medications	Coverage for two fills only	a No llmi

New plan choices

Now you have more options to choose from when filling your prescriptions. The above chart shows your copay/coinsurance for each option. Keep this latter so you can refer to it when you decide where to fill your prescriptions.

Delivery or pick-up: Introducing Maintenance Choice®

If you are taking a long-term** medication, now you can choose to receive your 90-day* supplies by mail through the CVS Caremark Mail Service Pharmacy or to pick them up at a CVS/pharmacy near you. Whether you choose delivery or pick-up, you will pay the same copay. This choice is being offered to you by your employer as a way to help you save money.

To learn how to start enjoying the benefits of Maintenance Choice, please see the enclosed program summary.

Fill limit for long-term medications

Your plan-allows two 30 day fills of long-term-medications at any pharmacy in our network. After that your plan will cover long-term medications only if you have 90-day supplies filled through mail service or at a CVS/pharmacy. If you continue to have 30-day supplies filled, your plan will not pay for them.

With Maintenance Choice, you can avoid paying more for your long-term prescriptions. All you need to do is have 90-day supplies filled through mail service or at a CVS/pharmacy.

Questions? Visit www.caremark.com or call us toll-free using the number on the back of your prescription card. We are here to help you save an your prescriptions.

Sincerely,

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Your Customer Care Team CVS Caremark

^{*}Copay, copayment or coinsurance means the amount e plan participant is required to pay for a prescription in accordance with a Plan, which may be a deductible, a percentage of the prescription price, or a fixed amount or other charge, with the balance, if any, paid by the Plan. A long-term medication is taken regularly for chronic conditions or long-term therepy. A few examples include medications for managing high blood pressure, asthma, diabetes or high cholesterol. *Actual quantity may vary depending on your plan.



Teamsters Rx

Pharmacy Benefit Manager

November 13, 2009

Dear Fellow Teamster,

Local 1150 will join Teamsters Rx effective January 1, 2010.

Teamsters Rx is a pharmacy benefit manager (PBM) and a mail-order pharmacy staffed by members of Teamsters Local 633 in Manchester, NH. Your current ID card will be deactivated at the end of December. Give your new Teamsters Rx ID card to your pharmacy when obtaining a prescription on or after January 1, 2010.

If you or any of your dependents use medication on a regular basis (maintenance medications) please complete the patient profile and credit/debit card forms in the packet and mail or fax the forms to the Teamsters Rx mail-order pharmacy. It is important to do this as soon as possible, before January, so that we can enter your information into our mail-order pharmacy computer system. Then, two weeks before you need the medication, please have your doctor call, fax, mail or e-prescribe your prescription to Teamsters Rx Pharmacy.

Using the Teamsters Rx mail-order pharmacy saves money for you and your Teamster Fund.

Teamsters Rx:

Telephone 1-866-888-0103/

Fax 1-603-413-6410

Sikorsky

In late December, when you receive your card, be sure to check it for the accuracy of your name and all your eligible dependents. If any information is incorrect contact Access Direct for UTC at 1-800-243-8135. You will need your new Teamsters Rx card for non-maintenance or emergency

prescriptions at retail pharmacies.

NOTE: The Teamsters Rx card is honored in retail pharmacies across the country. The Teamster Rx card will not work at Wal-Mart and Sam's Club pharmacies.

Specialty medications are dispensed through Ascend Specialty Pharmacy. Specialty medications are usually injectable medications for specific diseases and limited to a 30 day supply.

Examples of medications: Enbrel, Humira, Copaxone, Avonex, Rebif, etc.

Please call the Teamsters Rx pharmacy for further information on specialty medications.

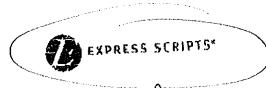
Sincerely,

Your Brothers and Sisters of Teamsters Rx Pharmacy and PBM



July 2009

<u>638305 2009009</u>34 1055 BEACON FALLS, CT 06403



Specific med by the the

Dear

Certain maintenance medications covered under the NUSCO Retirce Health Plan have been available to you in a 90- or 100-day supply for a single retail consyment. According to our pharmacy records, you have received the following medication(s)

which fall into this category.

You recently received a letter regarding benefit administration changes that included the Exclusive Home Delivery program for maintenance medications. As a reminder, coverage for the medications listed above and all other maintenance medications will be available only by using the Express Scripts Home Delivery Pharmacy, effective August 1, 2009.

To prevent this change from costing you more, the medications listed above will be available for the same retail copayment when you have them filled using the Express Scripts Home Delivery pharmacy.

If you need assistance setting up your prescriptions through Express Scripts Home Delivery pharmacy or you have questions about your prescription drug coverage, please contact Express Scripts toll-free at 1-800-825-4879.

Sincerely.

Express Scripts

PPO and Aetha HMO

Prescription Drug Plan Change

The proscription drug benefit is changing. You will pay the following per prescription:

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Brand Name	10%	\$35	\$100 \$150	10% 30%	\$8750 \$125	\$300
Non- Pormulary		300				
Station Agine	Late a Vinding Land		Maria in Salama.	land to see the	1	·

PPO

Retail Retal Allowance (RRA)

Using the PPO Plan's mail order pharmacy program can help you save money on your prescription drugs, offers free shipping. 24/7 access to pharmacists, and safety checks for drug interactions. Because of these great benefits, Sodexo is changing the prescription drug plan to encourage you to use the meil order pharmacy.

Very important: If you do not use mail order for your maintenance medications and you use a retail pharmacy, you will be allowed the initial prescription filled and 2 additional refills per drug. After the 2 refill maximum, you may continue to use retail, however, the prescription will not be covered and you will have to pay 100% of the cost of the medication. You will be notified prior to your final refill of the need to move your prescription to mail order.

03/05/2009 01:24

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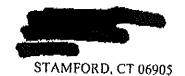
CVS CAREMARK

Thanks

2/24/2009

Action Needed. Please Call Immediately To Ensure Your Refill Is Covered!

called Butter



MCh

Reference ID: 440()134

Wall of

Dear

We'd like you to know about an important part of your prescription plan: In order to save both you and your plan money, your plan design requires that you receive long-term medications in a 90-day supply at either a CVS/pharmacy retail store or through CVS Caremark Mail Service. It's important to call us toli-free at (888) 769-9030 as soon as possible to ensure that we are able to process your prescriptions without disruption. Our Customer Care team can then take care of obtaining your new 90-day prescription(s) from your doctor and arrange for your next fill to be ready.

You will be able to choose one of these options:

- Pick up a 90-day supply at your local CVS/pharmacy
- Receive a 90-day supply from CVS Caremark Mail Service delivered to the address of your choice in confidential, tamper-resistant and (when necessary) temperature-controlled packaging. Standard shipping is available at no additional cost.

Our records show that your long-term prescription(s) for:

Medication Name

Prescription Number

Filled On

GABAPENTIN

6148598

2/10/2009

was filled at:

HOPE STREET PHARMACY 221 HOPE ST STAMFORD, CT 06906

No additional fills of your prescription(s) will be covered at this location. However, when you call the phone number listed above we can help you save money and get your prescription(s) without disruption through CVS/pharmacy or CVS Caremark Mail Service Pharmacy.

CVS Caremark is pleased to manage your prescription benefit plan. Learn about your prescription benefit and more by visiting www.caremark.com. We are ready to help you save money and get your medications easily.

Sincerely,

CVS Caremark ·

Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information.

This page contains references to hand-name prescription drugs that are undermarks or registered trademarks of pharmaceusical manufacturers that are not affiliated with CVS Catemark.

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